

00113239

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 Cook County Recorder 27.50

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C.C. DOCKET NO. 00-05708

Appel Group Exhibit No. 1

Witness

Date 9/27/00 Reporter CHK

# State of Illinois

## Office of

### The Secretary of State

Whereas,

APPLICATION FOR CERTIFICATE OF AUTHORITY TO TRANSACT  
 BUSINESS IN THIS STATE OF

TELERGY NETWORK SERVICES, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK HAS BEEN FILED  
 IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS  
 CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be  
 affixed the Great Seal of the State of Illinois,  
 at the City of Springfield, this

day of JANUARY A.D. 31ST and of  
 the Independence of the United States the two  
 hundred and

24TH



*Jesse White*

Secretary of State

Form **BCA-13.15**

(Rev. Jan. 1999)

APPLICATION FOR CERTIFICATE  
OF AUTHORITY TO  
TRANSACTION BUSINESS IN ILLINOIS**00113239**  
**SUBMIT IN DUPLICATE!**Jesse White, Secretary of State  
Department of Business Services  
Springfield, IL 62756  
Telephone (217) 782-1834  
http://www.sos.state.il.us

This space for use by Secretary of State

**FILED**

JAN 31 2000

JESSE WHITE  
SECRETARY OF STATEThis space for use by  
Secretary of State

Date

1/31/00

License Fee \$

Franchise Tax \$

Filing Fee \$

Penalties \$

Approved: 

\$ 100.00

Payment must be made by  
certified check, cashier's check,  
Illinois attorney's check, Illinois  
C.P.A.'s check or money order,  
payable to "Secretary of State."1. (a) CORPORATE NAME: Telergy Network Services, Inc.

(Complete item 1 (b) only if the corporate name is not available in this state.)

(b) ASSUMED CORPORATE NAME: \_\_\_\_\_

(By electing this assumed name, the corporation hereby agrees NOT to use its corporate name in the transaction of business in Illinois. Form BCA 4.15 is attached.)

2. (a) State or Country of Incorporation: New York(b) Date of Incorporation: May 26, 1998(c) Period of Duration: Perpetual

3. (a) Address of the principal office, wherever located:

One Telergy ParkwayEast Syracuse, NY 13057

(b) Address of principal office in Illinois:

(If none, so state)

None

4. Name and address of the registered agent and registered office in Illinois.

Registered Agent National Registered Agents, Inc.

First Name

Middle Name

Last Name

Registered Office 208 South LaSalle Street, Suite 1855

Number

Street

Suite #

ChicagoIL60604Cook

City

ZIP Code

County

5. States and countries in which it is admitted or qualified to transact business: (Include state of incorporation)

New York

6. Names and residential addresses of officers and directors:

	Name	No. & Street	City	State	ZIP
President	Brian P. Kelly	8407 Prestwick Drive	Manlius	NY	13104
Secretary	Brian P. Kelly	8407 Prestwick Drive	Manlius	NY	13104
Director	Brian P. Kelly	8407 Prestwick Drive	Manlius	NY	13104
Director	Kevin J. Kelly	7868 East Ridge Drive	Fayetteville	NY	13066
Director	William M. Kelly, Jr.	7402 High Bridge Terrace	Fayetteville	NY	13066

If more than 3, attach list

7. Purpose or purposes proposed to be pursued in transacting business in this state:  
(If not sufficient space to cover this point, add one or more sheets of this size.)

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All forms of telecommunication services

8. Authorized and issued shares:

Class	Series	Par Value	Number of Shares Authorized	Number of Shares Issued
Common		No Par	200	200

9. Paid-in Capital: \$ 200.00

("Paid-in Capital" replaces the terms Stated Capital & Paid-in Surplus and is equal to the total of these accounts.)

10. (a) Give an estimate of the total value of all the property\* of the corporation for the following year: \$ 40,000,000.00
- (b) Give an estimate of the total value of all the property\* of the corporation for the following year that will be located in Illinois: \$ -0-
- (c) State the estimated total business of the corporation to be transacted by it everywhere for the following year: \$ 3,000,000.00
- (d) State the estimated annual business of the corporation to be transacted by it at or from places of business in the State of Illinois: \$ 500.00

11. Interrogatories: (Important - this section must be completed.)

Telergy Network Services, Inc.

One Telergy Parkway

East Syracuse, NY 13057

- \*\* (a) Office or offices to which all contracts with the corporation are forwarded for final acceptance: None
- (b) Number of shares of all classes owned by residents of Illinois: 200
- (c) Number of shares of all classes owned by non-residents of Illinois: No
- (d) Is the corporation transacting business in this state at this time? No
- (e) If the answer to Item 11(d) is yes, state the exact date on which it commenced to transact business in Illinois:

12. This application is accompanied by a certified copy of the articles of incorporation, as amended, duly authenticated, within the last ninety (90) days, by the proper officer of the state or country wherein the corporation is incorporated.

13. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true. (All signatures must be in **BLACK INK**.)

Dated December 27, 1999  
(Month & Day) (Year)

Telergy Network Services, Inc.  
(Exact Name of Corporation)

attested by Brian P. Kelly  
(Signature of Secretary or Assistant Secretary)  
Brian P. Kelly, Secretary  
(Type or Print Name and Title)

Kevin J. Kelly  
(Signature of President or Vice President)  
by Kevin J. Kelly, Vice President  
(Type or Print Name and Title)

\* PROPERTY as used in this application shall apply to all property of the corporation, real, personal, tangible, intangible, or mixed without qualifications.

\*\* When the response to #11(a) lists ONLY an Illinois address, then the total business as reflected in #10(c) is also considered to be Illinois business for the purpose of computing the Illinois allocation factor. By signing this application, the corporation affirms that it is aware that the amount of paid-in capital, and consequently the amount of license fees and franchise taxes, may be proportionately higher due to the Illinois address shown under #11(a).

00113239

FAXXON LEGAL INFORMATION SERVICES, INC.  
MYERS BUILDING, SUITE 805  
ONE WEST OLD STATE CAPITOL PLAZA  
SPRINGFIELD, ILLINOIS 62701

COPY

Acct	Description	Short Desc	Type
100000	Cash - M&T AP Checking	Cash	A
100100	Cash-Key Bank Checking	Cash	A
100200	OSP Checking Account	Cash	A
100300	Cash - Marine Midland Checking	Cash	A
100400	Cash - Round Pond (LJ)	Cash	A
100500	Cash - M&T PR Checking	Cash	A
102000	Cash - M&T MM Savings	Cash	A
102700	Cash - Prudential MM Savings	Cash	A
103000	Cash - M&T Bank Escrow	Cash	A
103100	Cash - US Trust Escrow	Cash	A
103200	Cash - HSBC Escrow	Cash	A
104000	Petty Cash	Cash	A
104001	Petty Cash (VZ)	Cash	A
105000	Cash - One Tel Pkwy (LJ)	Cash	A
106000	Cash - 5792 Widewaters (LJ)	Cash	A
108000	Short-Term Investments	St Invest	A
108100	S-T Invest - M&T LOC CD	St Invest	A
110000	Trade Receivables - Commercial	A/R	A
110100	Trade Rec - Residential	A/R	A
110200	Trade Rec - NIMO Travel Cards	A/R	A
110300	Trade Receivables - ADSL	A/R	A
110400	Trade Receivables - CABS	A/R	A
110500	Trade Receivables -Energy	A/R	A
111000	Other Trade Receivables	A/R	A
112000	Other Receivables	A/R	A
113000	Employee Advances	A/R	A
114000	Allowance for Doubtful Accts	A/R	A
120000	Notes Receivable S-T	N/R	A
130000	Inventory	Ot Cur Ast	A
132010	Inventory - PP Worldcom	Ot Cur Ast	A
145000	Deposits	Ot Cur Ast	A
145100	Deposits - Affiliates	Ot Cur Ast	A
150000	Insurance	Ot Cur Ast	A
150100	Real Estate Taxes	Ot Cur Ast	A
150200	Maintenance	Ot Cur Ast	A
150300	Other Taxes	Ot Cur Ast	A
150500	PPD Expenses	Ot Cur Ast	A
160000	Due To/From Affiliates-Consol	Ot Cur Ast	A
160200	Due To/From WCI	Ot Cur Ast	A
160300	Due To/From Telergy East	Ot Cur Ast	A
160400	Due To/Fr KCI Long Distance	Ot Cur Ast	A
160500	Due To/Fr Niagra Mowhwk Enrgy	Ot Cur Ast	A
160600	Due To/From Energy East	Ot Cur Ast	A
170000	Accrued Interest Receivable	Ot Cur Ast	A
170100	Accrued Revenue	Ot Cur Ast	A
170300	Suspense - PO	Ca	A
170350	Suspense - AP	Ca	A

200000	Leasehold Improvements	FA	A
200005	Leasehold Improvements-Manual	FA	A
200100	Buildings	FA	A
200105	Buildings-Manual	FA	A
200200	Furniture & Fixtures	FA	A
200205	Furniture & Fixtures-Manual	FA	A
200300	Vehicles	FA	A
200305	Vehicles-Manual	FA	A
200400	Computer and Office Equipment	FA	A
200405	Comp & Office Equip-Manual	FA	A
200500	Telecommunications Equipment	FA	A
200505	Telecom Equipment-Manual	FA	A
200600	Computer Software	FA	A
200605	Computer Software	FA	A
209000	Land	FA	A
209005	Land-Manual	FA	A
209900	Networks in Progress	Fa	A
209901	Networks in Progress (Contra)	Fa	A
209905	WIP-Manual	FA	A
210000	Accum Depr-Leasehold Imp	FA	A
210100	Accum Depr-Buildings	FA	A
210200	Accum Depr-Furn & Fix	FA	A
210300	Accum Depr-Vehicles	FA	A
210400	Accum Depr-Comp & Office Equip	FA	A
210500	Accum Depr-Telecom Network	FA	A
210600	Accum Depreciation - Comp SW	FA	A
220100	Rights of Way	Intang Ast	A
220200	Deferred Financing Costs	Intang Ast	A
220300	Customer Base	Intang Ast	A
220400	Telergy Service Mark	Intang Ast	A
230100	Accum Amort-Rights of Way	Intang Ast	A
230200	Accum Amort-Deferred Fin Cost	Intang Ast	A
230300	Accum Amort-Customer Base	Intang Ast	A
230400	Accum Amort-Telergy Svc Mark	Intang Ast	A
240000	Investment in Consolidated Sub	Invest	A
241000	Investment in Telergy East	Invest	A
260000	Notes Receivable - LT	Lt N/R	A
270000	Other L-T Assets	Ot Lt Ast	A
290000	Restricted Cash	Ot Lt Ast	A
300000	Accounts Payable	A/P	L
310000	Notes Payable - Current	N/P	L
310999	Notes Payable - Term - Disc	N/P	L
320000	Notes Payable Other - Current	Cur-Lt Dbt	L
320999	Notes Payable Other - Cur-Disc	Cur-Lt Dbt	L
325000	Leases Payable - Current	Cur-Lt Dbt	L
330000	Income Taxes Payable - Federal	Inc Tx Lia	L
332000	Income Taxes Payable - State	Inc Tx Lia	L
332100	Franchise Taxes Payable	Inc Tx Lia	L
334000	Income Taxes - Local	Inc Tx Lia	L

338000	Income Taxes Payable - Cur-Def	Inc Tx Lia	L
340000	Other Current Liabilities	Ot Cur Lia	L
342000	Customer Deposits - Other	Ot Cur Lia	L
342100	Customer Deposits - Affiliates	Ot Cur Lia	L
344000	Accrued Expense	Ot Cur Lia	L
344100	Accrued Expense - Receipts	Ot Cur Lia	L
344200	Accrued Exp - Gas & Elec	Ot Cur Lia	L
346000	Accrued Interest Exp Liability	Ot Cur Lia	L
347000	Accrued Incentive	Ot Cur Lia	L
348000	Accrued Payroll	Ot Cur Lia	L
350000	Fica Payable	Ot Cur Lia	L
350100	FUI Payable	Ot Cur Lia	L
350200	SUI Payable	Ot Cur Lia	L
352000	FICA Withholding	Ot Cur Lia	L
352010	FIT Withholding	Ot Cur Lia	L
352020	SIT Withholding	Ot Cur Lia	L
352030	Local Withholding	Ot Cur Lia	L
352200	Employee Deductions-United Way	Ot Cur Lia	L
352201	Employee Ded-Telergy Foundatio	Ot Cur Lia	L
352210	Employee Deductions-LaserView	Ot Cur Lia	L
352220	Employee Garnishments	Ot Cur Lia	L
352230	Employee Deductions - 401K	Ot Cur Lia	L
360100	Sales Tax	Ot Cur Lia	L
360200	Gross Receipts Tax	Ot Cur Lia	L
360300	Telecommunications Tax	Ot Cur Lia	L
360400	State Excise Tax Payable	Ot Cur Lia	L
360500	USF - Federal	Ot Cur Lia	L
360600	USF - State	Ot Cur Lia	L
370000	Federal Excise Tax Payable	Ot Cur Lia	L
380000	Dividends Payable	Ot Cur Lia	L
382210	Def Rev - Dark Fiber Lease	Ot Cur Lia	L
382220	Def Rev - Dark Fiber Maint	Ot Cur Lia	L
382230	Def Rev - Dark Fiber Co-Locatn	Ot Cur Lia	L
382400	Def Rev - Pre Billed Revenue	Ot Cur Lia	L
382800	Def Rev - Lease Commissions	Ot Cur Lia	L
420000	Notes Payable Other - LT	Ltd	L
420999	Notes Payable Other - LT-Disc	Ltd	L
425000	Leases Payable - LT	Ltd	L
425099	Lease Payable - LT - Discount	Ltd	L
425100	Accum Amort Discount on NP	Ltd	L
438000	Income Taxes - Def - Non-Cur	Def Inc Tx	L
444000	Accrued Expense - LT	Ot Lt Liab	L
482210	Def Rev - Dark Fiber Lease	Ot Lt Liab	L
482220	Def Rev - Dark Fiber Maint	Ot Lt Liab	L
482230	Def Rev - Dark Fiber Co-Locatn	Ot Lt Liab	L
482400	Def Rev - Pre Billed Revenue	Ot Lt Liab	L
482800	Def Rev - Lease Commissions	Ot Lt Liab	L
486000	Redeemable Stock	Red Stk	L
487000	Redeemable Preferred Stock	Redeem PS	L

488000	Minority Interest	Min Int	L
490010	Common Stock - Class A	Stk Eq	Q
490020	Common Stock - Class B	Stk Eq	Q
490030	Common Stock - Class C	Stk Eq	Q
491010	Capital Contrib - Telergy Inc	Stk Eq	Q
491020	Capital Contrib - NME	Stk Eq	Q
491030	Capital Contrib - Energy East	Stk Eq	Q
492000	Preferred Stock	Stk Eq	Q
492010	Preferred Stock - Series A	Stk Eq	Q
492020	Preferred Stock - Series B	Stk Eq	Q
494000	Apic	Stk Eq	Q
494100	Deferred Stock Based Comp	Stk Eq	Q
495000	Treasury Stock	Stk Eq	Q
496000	Cumulative Translation Adj	Stk Eq	Q
498000	Retained Earnings - Beg Bal	Stk Eq	Q
501000	Service Revenue - Usage	Rev	R
501010	Service Revenue - Access chgs	Rev	R
501020	Service Revenue - Service Fees	Rev	R
501030	Service Revenue - Line Chgs	Rev	R
501040	Service Revenue - Private Line	Rev	R
501100	Service Revenue - Affiliate	REV	R
502000	Equipment Sales	Rev	R
503000	Lease Income - Dark Fiber	Rev	R
504000	Rental Revenue	Rev	R
504100	Rental Revenue - Affiliate	REV	R
549000	Revenue Credits & Allowances	Rev	R
560000	Network Expense	Cst Of Sal	E
565000	Cost of Sales	Cst Of Sal	E
565500	Cost of Equipment Sales	Cst of Sal	E
572000	Dealer Commissions	Cst Of Sal	E
574000	Property Commissions	Cst Of Sal	E
600000	Salaries - Officer	Net Ops Ex	E
600100	Salaries - Management	Net Ops Ex	E
600200	Salaries - Clerical	Net Ops Ex	E
600300	Salaries - Technical	Net Ops Ex	E
600400	Allocated Op Labor	Net Ops Ex	E
600500	Capitalized Labor	Net Ops Ex	E
610000	Payroll Taxes	Net Ops Ex	E
615000	Other Benefits	Net Ops Ex	E
616000	Group Insurance	Net Ops Ex	E
617000	Workmans Compensation Ins	Net Ops Ex	E
619000	Incentive Expense	Net Ops Ex	E
620000	Travel & Living	Net Ops Ex	E
621000	Meals & Entertainment	Net Ops Ex	E
624000	Auto Insurance	Net Ops Ex	E
624100	Com. Package Insurance	Net Ops Ex	E
625000	Auto Expenses	Net Ops Ex	E
630000	Rent Expense - BLDG	Net Ops Ex	E
630100	Rent Expense - Network	Net Ops Ex	E

630200	Rent Expense - Equip	Net Ops Ex	E
630300	Rent Expense-Colocation Sites	Net Ops Ex	E
631000	Utilities Expense	Net Ops Ex	E
632000	Maintenance Expense - BLDG	Net Ops Ex	E
632100	Maintenance Expense - Network	Net Ops Ex	E
632200	Maintenance Expense - Equip	Net Ops Ex	E
633000	Real Estate Taxes - BLDG	Net Ops Ex	E
633100	Real Estate Taxes - Network	Net Ops Ex	E
635000	Telephone Charges Expense	Net Ops Ex	E
635100	Telephone Charges Exp - Affil	NET OPS EX	E
650000	Amort Expense - LHI	NET OPS EX	E
650100	Depr Expense - BLDG	NET OPS EX	E
650200	Depr Expense - Furn & Fix	NET OPS EX	E
650300	Depr Expense - Vehicles	NET OPS EX	E
650400	Depr Expense - Computer	NET OPS EX	E
650500	Depr Expense - Telco Network	NET OPS EX	E
650600	Depr Exp - Computer SW	NET OPS EX	E
660100	Amort Expense - Rights of Way	Net Ops Ex	E
660200	Amort Expense - Def Fin Costs	Net Ops Ex	E
660300	Amort Expense - Customer Base	Net Ops Ex	E
660400	Amort Expense - Svc Mark	Net Ops Ex	E
670000	Shipping Expense	Net Ops Ex	E
675000	Outside Services	Net Ops Ex	E
676000	Supplies Expense	Net Ops Ex	E
677000	Office Expense	Net Ops Ex	E
679000	Miscellaneous Expenses	Net Ops Ex	E
699000	TNSI Overhead Allocation-Labor	Net Ops Ex	E
699001	TNSI Overhead Allocation-Fiber	Net Ops Ex	E
700000	SGA Salaries - Officer	Sg&A	E
700100	SGA Salaries - Management	Sg&A	E
700200	SGA Salaries - Clerical	Sg&A	E
700300	SGA Salaries - Technical	SG&A	E
700500	Capitalized Labor	SG&A	E
710000	SGA Payroll Taxes	Sg&A	E
715000	SGA Other Benefits	Sg&A	E
716000	SGA Group Insurance	Sg&A	E
717000	SGA Workmans Compensation Ins	Sg&A	E
719000	SGA Incentive Expense	Sg&a	E
720000	SGA Travel & Living	Sg&A	E
721000	SGA Meals & Entertainment	Sg&A	E
722000	SGA Non-Deductible Bus Exp	Sg&A	E
724000	SGA Auto Insurance	Sg&A	E
724100	SGA Com. Package Insurance	Sg&A	E
725000	SGA Auto Expenses	Sg&A	E
730000	SGA Rent Expense - BLDG	Sg&A	E
730100	SGA Rent Exp - BLDG - Affil	SG&A	E
730200	SGA Rent Expense - Equip	Sg&A	E
731000	SGA Utilities Expense	Sg&A	E
732000	SGA Maintenance Expense - BLDG	Sg&A	E

732200	SGA Maintenance Expense-Equip	Sg&A	E
733000	SGA Real Estate Taxes - BLDG	Sg&A	E
735000	SGA Telephone Charges Expense	Sg&A	E
735100	SGA Telephone Chgs Exp - Affil	SG&A	E
750000	SGA Amort Expense - LHI	SG&A	E
750100	SGA Depr Expense - BLDG	SG&A	E
750200	SGA Depr Expense - Furn & Fix	SG&A	E
750300	SGA Depr Expense - Vehicles	SG&A	E
750400	SGA Depr Expense - Computer	SG&A	E
750500	SGA Depr Expense-Telco Network	SG&A	E
750600	SGA Depr Exp - Computer SW	SG&A	E
760100	SGA Amort Exp-Rights of Way	Sg&A	E
760200	SGA Amort Exp-Def Fin Costs	Sg&A	E
760300	SGA Amort Exp-Customer Base	Sg&A	E
760400	SGA Amort Expense - Svc Mark	Sg&A	E
769000	SGA Non Cash Stock Based Comp	Sg&A	E
770000	SGA Shipping Expense	Sg&A	E
775000	SGA Outside Services	Sg&A	E
776000	SGA Supplies Expense	Sg&A	E
777000	SGA Office Expense	Sg&A	E
779000	SGA Miscellaneous Expenses	Sg&A	E
781000	SGA Advertising Expense	Sg&A	E
782000	SGA Bad Debt Expense	Sg&A	E
783000	SGA Company Functions	Sg&A	E
783100	SGA Contributions	Sg&A	E
783200	SGA Dues & Subscriptions	Sg&A	E
783300	SGA Seminars & Conventions	Sg&A	E
783400	SGA Bank Charges	Sg&A	E
783500	SGA Penalties	Sg&A	E
783600	SGA Payroll Processing Fees	Sg&A	E
783700	SGA Billing Fees	Sg&A	E
783800	SGA Regulatory Fees	Sg&A	E
790000	SGA Professional Fees-Accting	Sg&A	E
790200	SGA Professional Fees - Legal	Sg&A	E
790400	SGA Prof Fees-Consulting	Sg&A	E
799000	SGA TNSI Overhead Allocation	Sg&A	E
799100	SGA Telergy Inc Management Fee	Sg&A	E
800000	Equity Income-Consolidated Sub	Eq Inc	E
800100	Equity Income-Telergy East	Eq Inc	E
810000	Minority Interest	Min Int In	E
820000	Interest Income	Oth Inc	E
820100	Interest Income - Affil	Oth Inc	E
820200	Dividend Income	Oth Inc	E
820300	Gain on Sale of Assets	Oth Inc	E
820400	Finance Charges	Oth Inc	E
820500	Purchase Discounts	Oth Inc	E
820600	Rental Income	Oth Inc	E
820700	Gain/Loss - FX	Oth Inc	E
820800	Miscellaneous Income	OTH INC	E

850000	Interest Expense	Oth Exp	E
850100	Interest Expense - Affiliate	OTH EXP	E
850300	Loss on Sale of Assets	Oth Exp	E
860000	Income Tax Expense - Federal	Inc Tx Exp	E
861000	Income Tax Expense - State	Inc Tx Exp	E
865000	NYS Franchise Tax	Inc Tx Exp	E
866000	Income Tax Expense - Canada	Inc Tx Exp	E
870000	Income Tax Expense - Deferred	Inc Tx Exp	E
890000	Extraordinary Items	Extra Itm	E

MEMBERSHIP APPLICATION AND AGREEMENT  
ILLINOIS TELECOMMUNICATIONS ACCESS CORPORATION

Name of Applicant: Telergy Network Services, Inc.

Address of Applicant: One Telergy Parkway  
East Syracuse, New York 13057

Name, title, address, and telephone number of responsible individual with applicant to whom communications should be sent:

Theresa Atkins, Esq.  
One Telergy Parkway  
East Syracuse, New York 13057  
(315) 362-2882 phone/ (315) 362-2635 fax

The applicant hereby applies for membership in the Illinois Telecommunications Access Corporation ("Corporation"), an Illinois not-for-profit corporation. Upon the applicant's execution of this application and submission of this application to the corporation, the corporation will accept and execute this application in the space provided below, and will return an executed copy of this application to the applicant.

In support of its application for membership, the applicant states and agrees as follows:

1. Applicant is a telecommunications carrier providing local service as defined in the Illinois Public Utilities Act ("PUA").
2. Applicant agrees that it will be subject to, and have those rights and obligations set forth in, the By-laws of the corporation as adopted by the corporation's board of directors and approved by the Illinois Commerce Commission ("Commission"), as now in effect and as amended from time to time in the future.
3. Applicant acknowledges that the corporation is subject to the continuing supervision of and regulation by the Commission, and that the rights and obligations of each member may change as a result of this supervision and regulation.
4. To the extent from time to time approved by the Commission, the applicant delegates to the corporation authority to make such actions on behalf of the applicant as shall be necessary for the applicant to comply with its obligations under Section 13-703 of the PUA.
5. Applicant agrees to pay such portions of the monies collected by or on behalf of the applicant under and pursuant to Section 13-703 of the PUA (including income therefrom and appreciation thereon) as the Commission may from time to time order or as the corporation may from time to time request in accordance with orders of the Commission.

Dated: August 14, 2000

By: Theresa Atkins

Theresa Atkins, Esq.

Title: Assistant General Counsel

SPACE BELOW TO BE COMPLETED BY ITAC ONLY

Acceptance: The above application and agreement is hereby accepted and the applicant is hereby accepted for membership in the corporation.

Date: \_\_\_\_\_

Illinois Telecommunications Access Corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

MEMBERSHIP APPLICATION AND AGREEMENT  
UNIVERSAL TELEPHONE ASSISTANCE CORPORATION

Name of Applicant: Telergy Network Services, Inc.

Address of Applicant: One Telergy Parkway  
East Syracuse, New York 13057

Name, title, address, and telephone number of responsible individual with applicant to whom communications should be sent:

Theresa Atkins, Esq.  
One Telergy Parkway  
East Syracuse, New York 13057  
(315) 362-2882 phone/ (315) 362-2635 fax

The applicant hereby applies for membership in the Universal Telephone Assistance Corporation ("Corporation"), an Illinois not-for-profit corporation. Upon the applicant's execution of this application and submission of this application to the Corporation, the Corporation will accept and execute this application in the space provided below, and will return an executed copy of this application to the applicant.

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1. Applicant is a telecommunications carrier providing local service as defined in the Illinois Public Utilities Act ("PUA").
2. Applicant agrees that it will be subject to, and have those rights and obligations set forth in, the By-laws of the corporation as adopted by the Corporation's board of directors and approved by the Illinois Commerce Commission ("Commission"), as now in effect and as amended from time to time in the future.
3. Applicant acknowledges that the corporation is subject to the continuing supervision of and regulation by the Commission, and that the rights and obligations of each member may change as a result of this supervision and regulation.
4. To the extent from time to time approved by the Commission, the applicant delegates to the corporation authority to make such actions on behalf of the applicant as shall be necessary for the applicant to comply with its obligations under Section 13-301.1 of the PUA.
5. Applicant agrees to pay such portions of the monies collected by or on behalf of the applicant under and pursuant to Section 13-301.1 of the PUA (including income therefrom and appreciation thereon) as the Commission may from time to time order or as the corporation may from time to time request in accordance with orders of the Commission.

Dated: August 14, 2000

By: Ther Atkins  
Theresa Atkins, Esq.

Title: Assistant General Counsel

SPACE BELOW TO BE COMPLETED BY UTAC ONLY

Acceptance: The above application and agreement is hereby accepted and the applicant is hereby accepted for membership in the corporation.

Date: \_\_\_\_\_

Universal Telephone Assistance Corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_